Insurance Agent Licensing: Overview and Background on Federal NARAB Legislation

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Summary

The individual states have been the primary regulators of insurance in this country for the past 150 years. Congress specifically authorized the states' role in the 1945 McCarran-Ferguson Act (15 U.S.C. §§1011-1015), and state primacy in insurance regulation has been recognized in more recent laws shaping the financial regulatory system, such as the 1999 Gramm-Leach-Bliley Act (GLBA; P.L. 106-102) and the 2010 Dodd-Frank Wall Street Reform and Consumer Protection Act (P.L. 111-203). The system of multiple state regulators, however, has faced criticism over the years, with frequent focus on its efficiency. One particular aspect of regulation that has been criticized by some as overly burdensome and inefficient is the licensure of insurance agents and brokers, known collectively as *insurance producers*. Every state requires specific licenses, sometimes with differing criteria, and insurance producers have identified the need to have multiple licenses as a significant expense.

Organizations such as the National Association of Insurance Commissioners (NAIC) and the National Conference of Insurance Legislators (NCOIL) create model laws and undertake other steps to harmonize insurance regulation and laws across the country, including the NAIC's promulgation of models for insurance producer licensing. The individual states, however, are sovereign entities, and any models suggested by the NAIC or NCOIL must first be enacted by state legislatures. The state authorities may amend models or completely reject suggestions from outside groups. Often this is done with the argument that laws and regulations need to be adapted to particular local circumstances or risks, such as hurricane risks along coastal areas.

Federal proposals addressing multiple state insurance producer licensing requirements through the creation of a National Association of Registered Agents and Brokers (NARAB) appeared as far back as the 102nd Congress, and a version of NARAB was included in GLBA. These GLBA provisions, known generally as "NARAB I," were *conditional* and would not come into effect if a majority of states passed laws providing for uniformity or reciprocity in insurance producer licensing. Although a sufficient number of states met the GLBA requirements and thereby prevented the creation of NARAB, insurance producers continued to identify issues in the state licensing system. As a consequence, "NARAB II" legislation, *mandating* the creation of a NARAB organization, has been introduced in every Congress since the 110th. It was passed by the House in the 110th and 111th Congresses.

In the 113th Congress, the National Association of Registered Agents and Brokers Act was introduced in both the Senate and the House and similar provisions were included in bills addressing flood insurance and terrorism insurance. Legislation including NARAB II provisions passed both the House and the Senate, but because they differed in some respects, no bill was sent to the President. In the 114th Congress, both the House and the Senate passed NARAB II provisions included as Title II of H.R. 26, which became P.L. 114-1. Under P.L. 114-1, membership in the NARAB organization will permit insurance producers to operate in multiple states without obtaining specific licenses from these states. To become a NARAB member, an insurance producer will be required to have a license from at least one state, pass a criminal background check, and meet other requirements. The law requires that these additional requirements be not "less protective to the public" than the NAIC model law on insurance producer licensing. The association is to be governed by a 13-member board made up of 8 current or former state insurance commissioners and 5 insurance industry experts. The President is to appoint the board, with advice and consent of the Senate, and retain the ability to remove the board and override the NARAB organization's rules or actions.

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Insurance Regulation and Federal Legislation

The individual states have been the primary regulators of insurance in this country for the past 150 years. The 1945 McCarran-Ferguson Act[1] specifically authorized the states' role, and Congress has recognized state primacy in insurance regulation in more recent laws shaping the financial regulatory system, such as 1999's Gramm-Leach-Bliley Act[2] (GLBA) and 2010's Dodd-Frank Wall Street Reform and Consumer Protection Act[3] (the Dodd-Frank Act). Although Congress may have generally reaffirmed the state-based system in such laws, congressional interest in the operation of the insurance regulatory system has continued.

Much of the congressional focus on the insurance regulatory system since 1999 has been on the efficiency of the state-based system. Organizations such as the National Association of Insurance Commissioners (NAIC) and the National Conference of Insurance Legislators (NCOIL) create model laws and undertake other steps to harmonize insurance regulation and laws across the country. To be legally binding, however, any models suggested by the NAIC or NCOIL must first be adopted in a state. The states may amend models to fit local circumstances or completely reject suggestions from outside groups. Various federal proposals have been advanced to change the workings of the state-based regulatory system, ranging from creation of a broad federal charter that might replace much of the state-based system to narrower concepts using federal powers to preempt some state laws while leaving the state-based regulatory system largely in place.

In the 113th Congress, issues around licensing for insurance agents and brokers (known generally as *insurance producers*) came to the fore in the form of legislation—the National Association of Registered Agents and Brokers Act, passed in different forms by both the Senate and the House. This legislation, which would *mandate* the creation of a National Association of Registered Agents and Brokers (NARAB), is generally referred to as "NARAB II" legislation.[4] The 114th Congress passed identical versions of H.R. 26, which included NARAB II provisions as Title II. The President signed the bill, now P.L. 114-1, on January 12, 2015.

Insurance Producer Licensing

Licensing of insurance producers has long been an integral part of the insurance regulatory system. Individual states typically require insurance producers operating within their borders to obtain a license from that state, with different licenses often required for different lines of insurance. Such licensure provides a mechanism for insurance regulators to enforce standards of conduct, particularly with regard to consumer protections, as well as a revenue source to help defray the cost of the insurance regulatory system. Aspects of insurance producer licensing include specific education or knowledge requirements, such as passage of a written exam prior to licensing and continuing education afterward, and, in some states, criminal background checks.

[1] 15 U.S.C. §§1011-1015.

[2] P.L. 106-102.

[3] P.L. 111-203.

[4] "NARAB I" generally refers to provisions included in GLBA (P.L. 106-102, Title III, Subtitle C), which *conditionally* allowed for the creation of a NARAB but never took effect. Legislative language creating some version of a NARAB predated GLBA and appeared as part of broader legislation in the House during the 102nd and 103rd Congresses; this legislation was referred to committee and subcommittee hearings were held, but it did not advance further in the legislative process.

The NAIC has adopted model laws regarding licensure and a model insurance producer license form, but individual states are free to modify such models, or not adopt them at all, resulting in variability in licensing requirements across the country. The number of insurance producers potentially affected by the variability of state licensing laws appears relatively large; in one survey, 83% of producers reported having licenses in at least 2 and up to 10 states. Larger insurance agencies tend to hold a greater number of licenses, with 47% of the firms of more than 500 financial advisors having licenses in 21 or more states.[5] Insurance producers that operate in multiple states have long sought increased uniformity and reciprocity across states to reduce their costs resulting from the multiplicity of license requirements. Insurance producers report, for example, that, on average, 3% of agency operating expenses are spent on "licensing compliance efforts," with higher figures (4.3%) at the smallest agencies.[6] Although insurance producers consider the multiplicity of licenses to be a burden, others consider the requirements for local licenses and knowledge of specific local risks or legal requirements to be important consumer protections by others. One consumer representative has argued, for example, that "[property and casualty] insurance varies too much state to state as respects law and risk to not maintain local control of licensure."[7]

GLBA attempted to address the multiplicity of different requirements among states for insurance producer licensing. Although many states satisfied the GLBA statutory requirements for reciprocity by 2002, insurance producers continued to identify inefficiencies and costs of the state licensing system in the years following. In 2008 testimony before a House subcommittee, for example, an insurance agent representative indicated that states continued to "impose additional conditions and requirements"[8] on nonresident agents despite the reciprocity called for in law. In 2009, the Government Accountability Office (GAO) cited issues regarding fingerprinting and background checks as particular barriers to uniformity or reciprocity in producer licensing and as potentially creating uneven insurance consumer protection in states in which full-background checks were not able to be performed. GAO also determined that differences in licensing requirements and insurance line definitions could potentially be creating inefficiencies that "could result in higher costs for insurers, which in turn could be passed on to consumer[s]."[9] In addition to concerns about the substance of the reciprocity in place, reciprocity laws have not been adopted by every state. The NAIC ultimately certified 47 states as reciprocal, but the 3 states not certified—California, Florida, and Washington—together represented nearly 20% of the nation's population.

In addition to the costs that might result from the specific aspects of the insurance licensing system, any professional licensing regime acts as a barrier to entry for those who might be interested in providing services that require a license. Economic theory suggests such barriers

[5] Survey statistics provided to the Congressional Research Service (CRS) by the Insured Retirement Institute.

[6] Statement of Jon Jensen on Behalf of The Independent Insurance Agents & Brokers of America, before U.S. Congress, Senate Committee on Banking, Housing, and Urban Affairs, Subcommittee on Securities, Insurance, and Investment, *Streamlining Regulation, Improving Consumer Protection and Increasing Competition in Insurance Markets,* Hearing on S. 534, 113th Cong., 1st sess., March 19, 2013, p. 2, available at http://www.banking.senate.gov/public/index.cfm?FuseAction=Files.View&FileStore_id=446f26f8-226d-436f-9894-8fe387828128.

[7] J. Robert Hunter, Insurance Director, Consumer Federation of America, quoted in *NCOILLETTER*, Issue 3, 2013, p. 3, available at http://www.ncoil.org/news/2013_newsletters/Vol32013.pdf.

[8] Statement of Tom Minkler on behalf of the Independent Insurance Agents & Brokers Of America, before U.S. Congress, House Committee Financial Services, Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises, *Examining Proposals on Insurance Regulatory Reform*, 110th Cong., 2nd sess., April 16, 2008, p. 6, available at http://archives.financialservices.house.gov/hearing110/minkler041608.pdf.

[9] U.S. Government Accountability Office, *Insurance Reciprocity and Uniformity*, GAO-09-372, April 6, 2009, p. 21, available at http://www.gao.gov/products/GAO-09-372.

increase consumer costs to some degree and have the potential to be used as a protectionist measure to prevent competition, allowing license holders to extract economic rents from consumers. Whether the public benefits resulting from licensure outweigh the costs is determined by policy makers on a case-by-case basis. Some form of licensure for those in the financial services industry has been generally accepted and is required in federal law for people involved in securities transactions with the public, for example.

National Association of Registered Agents and Brokers Reform Act in the 114th Congress

H.R. 26/P.L. 114-1, Title II

H.R. 26 in the 114th Congress was identical aside from technical corrections to the amended version of S. 2244 that passed the House in the 113th Congress. Thus, it included NARAB II provisions in Title II, but did not include the Section 335 sunset language that had been included in the Senate-passed version of S. 2244. The House and Senate passed H.R. 26 on January 7, 2015, and January 8, 2015, respectively. The President signed the bill, now P.L. 114-1, on January 12, 2015.

Summary of Enacted Provisions

P.L. 114-1, Title II creates a National Association of Registered Agents and Brokers. Key features of this association include the following:

- The association shall be a private, nonprofit corporation and is specifically forbidden from receiving federal funds.
- To gain membership, insurance producers are required to be licensed as an insurance producer in their home state, pass a criminal background check, and meet other criteria determined by the association, which shall not be "less protective of the public"[10] than that contained in the NAIC Producer Licensing Model Act as of January 12, 2015.
- NARAB members will be able to operate in any other state subject only to payment of the licensing fee in that state rather than having to obtain a separate license in the additional states.
- Members will still be subject to each state's consumer protection and market conduct regulation, but individual state laws that treat out-of-state insurance producers differently from in-state producers are preempted.
- The association will be overseen by a board of eight appointees who are current or former state insurance commissioners and five appointees with demonstrated expertise in different areas of insurance. Appointments are to be made by the President with advice and consent by the Senate.
- The President can dissolve the board as a whole or suspend the implementation of any rule or action taken by the association.

[10] P.L. 114-1, Title II, §323(d)(2).

- The association is to submit copies of the NARAB bylaws, standards, and an annual report, to the President through the Department of the Treasury and to the States, as well as to make these publically available on the NARAB website.

National Association of Registered Agents and Brokers Reform Act in the 113th Congress

S. 534

S. 534, the National Association of Registered Agents and Brokers Reform Act of 2013, was introduced by Senator Jon Tester on March 13, 2013, and referred to the Senate Committee on Banking, Housing, and Urban Affairs. The committee's Subcommittee on Securities, Insurance, and Investment held a hearing on the bill on March 19, 2013,[11] and the full committee marked up S. 534 and ordered the amended bill be favorably reported on June 6, 2013.

S. 534 as introduced would have established a NARAB. Key features of this association included the following:

- The association would have been a private, nonprofit corporation.
- To gain membership, insurance producers would have been required to be licensed as an insurance producer in their home state, pass a criminal background check, and meet other criteria determined by the association, which should not be "less protective of the public than that contained in the NAIC Producer Licensing Model Act."[12]
- NARAB members would have been able to operate in any other state subject only to payment of the licensing fee in that state rather than having to obtain a separate license in the additional states, as is often the case.
- Members would still have been subject to each state's consumer protection and market conduct regulation, but individual state laws that treat out-of-state insurance producers differently from in-state producers would have been preempted.
- The association would have been overseen by a board of eight appointees who are current or former state insurance commissioners and five appointees representing the insurance industry. Appointments would have been made by the President with advice and consent by the Senate.
- The President could have dissolved the board as a whole or suspend the implementation of any rule or action taken by the association.
- The association would have submitted annual reports to the President and the NAIC.

[11] U.S. Congress, Senate Committee on Banking, Housing, and Urban Affairs, Subcommittee on Securities, Insurance, and Investment, *Streamlining Regulation, Improving Consumer Protection and Increasing Competition in Insurance Markets*, Hearing on S. 534, 113th Cong., 1st sess., March 19, 2013. Hearing webcast and statements can be found at http://www.banking.senate.gov/public/index.cfm?FuseAction=Hearings.Hearing&Hearing_ID=72d49be4-ff44-4d01-862a-4654e13b2589.

[12] §323(d)(2) of S. 534 as introduced in the 113th Congress.

Senate Committee Consideration

The Senate Committee on Banking, Housing, and Urban Affairs marked up S. 534 on June 6, 2013. The committee began with an amendment in the nature of a substitute offered by Senators Jon Tester and Mike Johanns. Although largely similar to the original legislation, this amendment made changes to the bill, including

- adding the Department of the Treasury as a conduit of information from NARAB to the President;
- requiring that copies of the NARAB bylaws, standards, and annual report be publically available on the NARAB website; and
- stipulating that the annual report be made to the President and the "States (including the State insurance regulators)" rather than the President and the NAIC (the NAIC was also removed from some, but not all, of the other reporting requirements in the bill).

In addition to the substitute, two amendments were adopted by voice vote in the markup. These amendments changed the following:

- The board of directors would have had five appointees with "demonstrated expertise and experience" in various parts of the insurance industry rather than being "representatives of" various parts of the industry following an amendment by Senator Elizabeth Warren.
- The NARAB organization would have been specifically forbidden from receiving federal funds following an amendment by Senator Tom Coburn.

Another amendment by Senator Coburn to provide states the ability to opt out of participation in, and the effect of, NARAB was not adopted on a vote of 18-4. The amended version of S. 534 was then ordered to be favorably reported by voice vote, and the bill was reported on July 29, 2013 (S.Rept. 113-82).

H.R. 1155

Representative Randy Neugebauer introduced two bills identical to S. 534: H.R. 1064 on March 12, 2013, and H.R. 1155 on March 14, 2014. Both were referred to the House Committee on Financial Services, with H.R. 1155 being used as the legislative vehicle going forward.

House of Representatives Floor Consideration

On September 10, 2013, Representative Neugebauer made a motion to suspend the rules and pass an amended version of H.R. 1155. The language of the amended version of H.R. 1155 closely followed the language of S. 534 as reported by the Senate Committee on Banking, Housing, and Urban Affairs, including the amendments by Senators Warren and Coburn that were adopted in the committee markup. The two bills differed slightly in the language relating to background checks, with the House bill requiring that fingerprints be submitted to the Federal Bureau of Investigation in the course of the search of criminal history records whereas the Senate bill does not specifically mention fingerprints. In addition, the penalties for improper disclosure of background check information in the House bill were set at $50,000 per violation compared with the possibility of monetary fine plus two years imprisonment under the Senate bill. H.R. 1155 as amended passed the House of Representatives on a vote of 397-6.

S. 1926, Title II

S. 1926 was introduced by Senator Robert Menendez on January 14, 2014. The legislation had two titles. Title I, the Homeowner Flood Insurance Affordability Act of 2014, would have delayed the implementation of certain aspects of the Biggert-Waters Flood Insurance Reform Act of 2012.[13] Title II of S. 1926 contains language identical to S. 534 as reported by the Senate Committee on Banking, Housing, and Urban Affairs except for minor technical changes. The floor consideration of S. 1926 was focused on Title I, with several amendments to the flood insurance provisions adopted but no changes made to Title II. Senator Coburn, as he did in committee consideration, offered an amendment (S.Amdt. 2697) providing states the ability to opt out of NARAB. The full Senate rejected this amendment by a vote of 24-75. S. 1926 as amended passed the Senate by a vote of 67-32 on January 30, 2014.

H.R. 4871, Title II

On June 19, 2014, as part of a markup of H.R. 4871, which would extend and amend the Terrorism Risk Insurance Act,[14] Representative Neugebauer offered an amendment consisting of the text of H.R. 1155 as passed by the House. This amendment was accepted on a voice vote, and the overall bill was ordered to be favorably reported to the full House by a vote of 32-27 on June 20, 2014. The bill was reported (H.Rept. 113-523) on July 16, 2016.

S. 2244, Title II

Senate Floor Consideration

On July 17, 2014, as part of floor consideration of S. 2244, a bill to extend the Terrorism Risk Insurance Act, Senator Tester offered S.Amdt. 3552. This amendment added a second title to the bill containing the language of H.R. 1155 as passed by the House with one additional section. This new section, Section 335, provided that the NARAB II provisions would terminate two years after the date on which the NARAB association approves its first member. S.Amdt. 3552 was adopted by voice vote, and S. 2244 as amended passed the Senate by a vote of 93-4.

House of Representatives Floor Consideration

On December 10, 2014, the House considered S. 2244 with an amendment in the nature of a substitute. This substitute amendment included a second title containing NARAB II provisions but did not include the two-year sunset provision in Section 335 of the Senate-passed bill. The substitute amendment included numerous changes to Title I concerning the Terrorism Risk Insurance Act and added a Title III, the Business Risk Mitigation and Price Stabilization Act of 2014. Title III would amend statutory provisions originating in the Dodd-Frank Act relating to derivatives and margin requirements for end users.[15] S. 2244 as amended passed the House by a vote of 417-7.

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[13] P.L. 112-141; 126 Stat. 916.

[14] 15 U.S.C. §6701 note; for more information, see CRS Report R42716, *Terrorism Risk Insurance: Issue Analysis and Overview of Current Program*, by Baird Webel and CRS Report R43619, *Terrorism Risk Insurance Legislation in the 113th Congress: Issue Summary and Side-by-Side Analysis*, by Baird Webel.

[15] For more information, see "Margin for Non-Financial Entities or 'Commercial End Users'" in CRS Report R43117, *The Commodity Futures Trading Commission: Background and Current Issues*, by Rena S. Miller.

Administration Position on NARAB II Legislation

In the 113th Congress, the Administration expressed support, with some reservations, for NARAB II legislation. The Federal Insurance Office released a report, *How to Modernize and Improve the System of Insurance Regulation in the United States*, in December 2013 and specifically recommended passage of NARAB II legislation, citing the inefficiencies resulting from the lack of uniformity and reciprocity as detrimental to insurance consumers.[16] As the Senate was considering S. 1926, the Executive Office of the President released at statement of Administration policy (SAP) on the bill.[17] This SAP expressed support for the "policy goals" of Title II of S. 1926, but the support was tempered by reservations on two fronts. First, the bill's process for criminal background checks was seen as inconsistent with the processes currently used by the Federal Bureau of Investigation (FBI), although the Administration believed the bill could be made consistent with these FBI processes. Secondly, the Administration raised constitutional concerns regarding the bill's requirement that the President appoint state insurance commissioners as eight of the 13 members of the NARAB board and requested an amendment to broaden the size of the appointment pool.

Past NARAB Legislation

NARAB II

Legislation to *mandate* the creation of a NARAB organization, similar to P.L. 114-1, Title II, was first introduced into the House of Representatives in the 110th Congress (H.R. 5611), with similar legislation introduced in the 111th Congress (H.R. 2554). The House passed these bills in the respective Congresses by voice vote, and the legislation was referred to committee when received by the Senate. NARAB II legislation was introduced in the 112th Congress (H.R. 1112 and S. 2342), but, unlike in the previous Congresses, the House did not bring NARAB II legislation to the floor in the 112th Congress.

The general outlines of the various NARAB II bills have been similar. The bills would amend the NARAB sections to create a NARAB organization regardless of state actions on reciprocity and uniformity. NARAB II legislation would create an organization similar to the one originally envisioned in GLBA. It would be a nonprofit, private body whose members would be required to be state-licensed insurance producers but could operate across states without having licenses from the individual states. The specifics of the NARAB II bills have, however, differed to some degree, particularly in the makeup of the board of directors and how the board would be appointed. The initial NARAB II legislation (H.R. 5611, 110th Congress) included a nine-person board of directors, four to be appointed by the NAIC and five to be appointed by the insurance industry. H.R. 2554 (111th Congress) and H.R. 1112 (112th Congress) changed this makeup to an 11-person board (with 6 insurance commissioners and 5 insurance industry representatives) to be appointed by the President with Senate confirmation. S. 2342 (112th Congress) and the current legislation

[16] Federal Insurance Office, U.S. Treasury, *How To Modernize And Improve The System Of Insurance Regulation In The United States*, December 2013, available at http://www.treasury.gov/initiatives/fio/reports-and-notices/Documents/How%20to%20Modernize%20and%20Improve%20the%20System%20of%20Insurance%20Regulation%20in%20the%20United%20States.pdf.

[17] Executive Office of the President, "STATEMENT OF ADMINISTRATION POLICY: S. 1926 – Homeowner Flood Insurance Affordability Act of 2014 and National Association of Registered Agents and Brokers Reform Act of 2014," January 27, 2014, available at http://www.whitehouse.gov/sites/default/files/omb/legislative/sap/113/saps1926s_20140127.pdf.

again changed the NARAB board to be comprised of 13 people (8 insurance commissioners and 5 insurance industry representatives) who are presidentially appointed and Senate confirmed. In addition, H.R. 5611 required a report by the NARAB association to the President, Congress, and the NAIC, whereas subsequent legislation required the report be made solely to the President and the NAIC.[18]

NARAB I

Legislative provisions creating a NARAB appeared as part of broad financial regulatory reform legislation in the 105th Congress[19] and the 106th Congress,[20] ultimately becoming law as part of GLBA in the 106th Congress. GLBA sought to address insurance producer complaints about the variation in state licensing requirements through a sort of provisional federal preemption of state laws. The law called for the creation of a private, nonprofit licensing body, the NARAB, whose insurance producer members would have been authorized to operate across state lines without individual licenses from every state. Membership in NARAB would have been open only to people already holding a state insurance producer license and who fulfilled other criteria. Although established by federal authority, the NARAB to be created by the provisions in GLBA would have been entwined in the system of state regulation. The NAIC would have appointed the seven members of the NARAB board and had other oversight authorities.

The NARAB I language in GLBA also offered the states the opportunity to avoid creation of the NARAB organization if a majority of them created among themselves systems of either uniformity or reciprocity in insurance producer licensing within a three-year window after passage of GLBA. The NAIC was given the authority to determine whether the states met this GLBA standard, with the possibility of federal judicial review of the determination. The individual states and the NAIC reacted relatively quickly to this opportunity with the promulgation of an NAIC model law that would provide for reciprocity. A sufficient number of states adopted laws providing for insurance producer licensing reciprocity that the NAIC determined the GLBA standards to avoid creation of the NARAB organization were met. As a result, the NARAB organization was not created.

Original NARAB Provisions

The first legislation specifically providing for the creation of a NARAB that the Congressional Research Service has been able to identify was introduced in the 102nd Congress (Title IV of H.R. 4900).[21] The bill was reintroduced in the 103rd Congress[22] and subcommittee hearings were held that addressed NARAB,[23] but the bill was not acted on further.

The original NARAB provisions were part of legislation that would have created a federal commission for solvency oversight of insurers. The NARAB created by this legislation would have been similar to subsequent versions in that it would have been a nonprofit association whose

[18] The U.S. Department of Justice sent a letter to the Senate leadership following House passage of H.R. 5611 that identified concerns with the bill, including the appointments language and the requirement for reporting to Congress. See http://www.justice.gov/archive/ola/views-letters/110-2/10-01-08-hr5611-agents-brokers-reform-act.pdf.

[19] Title IV of H.R. 10 and Title III, Subtitle B of S. 2590.

[20] Title IV of H.R. 10 and Title III, Subtitle C of S. 900.

[21] The Federal Insurance Solvency Act of 1992 (H.R. 4900), introduced by Rep. John Dingell on May 8, 1992.

[22] The Federal Insurance Solvency Act of 1993 (H.R. 1290), introduced by Rep. John Dingell on March 10, 1993.

[23] U.S. Congress, House Committee on Energy and Commerce, Subcommittee on Commerce, Consumer Protection, and Competitiveness, *Federal Insurance Solvency*, hearing on H.R. 1290, 103rd Cong., 1st sess., April 28, 1993, pp. 103-140, pp. 385-458.

members would have been state-licensed insurance producers, but the preemption of state law would have been narrower than in subsequent versions. The original version of NARAB would not have permitted its members to operate with a single state license but instead would have operated to enforce uniformity though a central clearinghouse and a uniform producer application. The board of directors would have been elected by the membership, and the Federal Solvency Commission to be created by the bill would have had oversight authority over this version of NARAB.

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